a storage device in communication with the receiver for writing the received music selection in encrypted form to a removable storage medium, such that the music selection cannot be decrypted without at least one key.

96. (New) A user station for receiving broadcast music, the user station comprising:

a user interface for permitting the customer household to preselect a transmitted music selection for recording;

a receiver; and

a storage device in communication with the receiver for writing the received music selection in encrypted form to a removable storage medium, such that the music selection cannot be decrypted without at least one key.

### <u>REMARKS</u>

Applicants thank the Examiner for indicating that claims 17, 28, 60, and 71 are allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

## 35 U.S.C. § 102 (e) Rejections

#### Claims 1 and 2

The Examiner rejected claims 1 and 2 under U.S.C. § 102 (e) as being anticipated by Kleiman (U.S. Pat. No. 5,959,945). Applicants respectfully disagree.

Claim 1 calls for a combination including, for example:

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- (e) a communications link between the customer household and the central controller system for transmitting, subsequent to the recording, the one or more keys to the user station; and
- (f) a billing system associated with the central controller system to bill the customer household for the one or more transmitted keys.

Kleiman discloses that "the PJ [(personal jukebox)] would have been loaded with credits through a bank payment, bank deposit or a PJ fund collection mechanism, such as coins, bills, smart cards, etc." (Column 9, lines 3-6) Furthermore, Kleiman discloses that "[o]nly music which has been enabled through the use of credits can be received, deciphered and played." (Column 9, lines 14-16) Therefore, Kleiman teaches that the credits must be paid for before it is received, recorded, and played. Kleiman does not disclose a communication link "for transmitting, subsequent to the recording, the one or more keys to the user station," and "a billing system associated with the central controller system to bill the customer household for the one or more transmitted keys," as recited in claim 1. Since Kleiman fails to teach each and every element of claim 1, Applicants respectfully request the withdrawal of the 35 U.S.C. § 102 (e) rejection of claim 1.

Claim 2 calls for a combination including, for example:

- (d) transmitting, subsequent to the recording, the one or more keys to the user customer household; and
- (e) billing the customer household for the one or more transmitted keys.

Kleiman discloses that "[o]nce the credits are deposited, the PJ is autoenabled or not disabled by the OSC satellite transmission to download a number of song titles. As the title is downloaded, the number of credits is decreased." (column 9, lines 6-9)

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Furthermore, Kleiman discloses that "[o]nly music which has been enabled through the use of credits can be received, deciphered and played." (Column 9, lines 14-16)

Therefore, Kleiman teaches that the music must be paid for before it is received, recorded, and played. Kleiman does not teach or suggest "transmitting, subsequent to the recording, the one or more keys to the user customer household" and "billing the customer household for the one or more transmitted keys," as recited in claim 2. Since Kleiman fails to teach each and every element of claim 2, Applicants respectfully request the withdrawal of the 35 U.S.C. § 102 (e) rejection of claim 2.

## Claims 3-13, 15-16, 18-24, 29-35, 37 and 39-46

The Examiner rejected claims 3-13, 15-16, 18-24, 29-35, 37, and 39-42, each dependent from claim 1, under 35 U.S.C. § 102(e) as being anticipated by <u>Kleiman</u>; and rejected claims 43-46, also dependent from claim 1, under 35 U.S.C. § 103 as being obvious over <u>Kleiman</u> in view of <u>Looney</u>. Applicants respectfully submit that the above claims are also allowable, at least for the same reasons as Claim 1 and by virtue of their dependency on independent Claim 1. Therefore, Applicants respectfully request the withdrawal of the rejections of the above-listed claims.

## Claims 47-57, 59, 61-67, 72-78, 80, and 82-89

The Examiner rejected claims 47-57, 59, 61-67, 72-78, 80, 82-85, each dependent from claim 2, under 35 U.S.C. § 102(e) as being anticipated by <u>Kleiman</u>; and rejected claims 86-89, also dependent from claim 2, under 35 U.S.C. § 103 as being obvious over <u>Kleiman</u> in view of <u>Looney</u>. In response to the rejection of the above listed claims, Applicants respectfully submits that the above claims are also allowable, at least

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for the same reasons as Claim 2 and by virtue of their dependency on independent Claim 2. Therefore, Applicants respectfully request the withdrawal of the rejections of the above-listed claims.

Claims 14, 25-28, 36, 58, 68-71, and 79

Claims 14, 25-28, 36, 58, 68-71, and 79 have been canceled; therefore, no response is required.

## New Claims

Claims 90, 92 and 94

Claim 90 recites a combination including, for example:

a user station at at least one of the plurality of customer households, for enabling the customer household to preview the plurality of music selections a predetermined number of times before billing the customer household for the plurality of music selections

And, claim 92 recites a combination including, for example:

enabling the customer household to preview the preselected music selection a predetermined number of times.

Applicants submit that Kleiman does not teach or suggest at least these features.

Therefore, claims 90, 92, and 94 and their dependent claims (claims 17 and 60, respectively) are allowable.

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#### Claims 91 and 93

New independent claim 91 is composed of claim 28 rewritten in independent form. Based on the Examiner's indication of allowable subject matter, new independent claim 91 is allowable.

New independent claim 93 is composed of claim 71 rewritten in independent form. Based on the Examiner's indication of allowable subject matter, new independent claim 93 is allowable.

#### Claims 94 and 95

New independent claims 94 and 95 each recite a combination including "a storage device in communication with the receiver for writing the received music selection in encrypted form to a removable storage medium, such that the music selection cannot be decrypted without at least one key." Applicants submit that neither Kleiman nor the other cited documents show at least this feature. Accordingly, applicants submit that new independent claims 94 and 95 are allowable.

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## Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully request the reconsideration and reexamination of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, L.L.P.

Dated: September 3, 2002

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# APPENDIX TO AMENDMENT OF SEPTEMBER 3, 2002 ( VERSION WITH MARKINGS TO SHOW CHANGES MADE

## **AMENDMENTS TO THE CLAIMS**

Please amend claims 1, 2, 11, 17, 37, 55, 60, 78, 80, and 84, as follows:

- (Twice Amended) A system for distributing music to a plurality of customer households, the system comprising:
- (a) a data transmission system for blanket transmitting a plurality of music selections to the plurality of customer households in digital format;
- (b) a user station at <u>at least one of the</u> [each of the plurality of] customer households, the user station including:
  - i. a user interface for permitting [each] the customer household to preselect [desired] a transmitted music selection[s] for recording;
  - ii. a receiver [and associated high capacity storage medium for recording the preselected music selections in digital form];
  - iii. an audio output for outputting audio signals [from the high capacity storage medium] to a playback device for enabling the customer household to playback the recorded music selection[s]; and
  - iv. a storage device in communication with the receiver for writing the received music selection in encrypted form to a removable storage medium, such that the music selection cannot be decrypted without at least one key;

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- (c) a central controller system having a database for storing therein information corresponding to [each] the customer households;
- (d) a communications link between [each of the plurality of] the customer household[s] and the central controller system for transmitting, subsequent to the recording, the at least one key to the user station [verifying to the controller system when a preselected music selection has been made available for playback]; and
- (e) a billing system associated with the central controller system to bill the customer household[s] for the one or more transmitted keys [music selections that are made available for playback].
- 2. (Twice Amended) A method for distributing music to a plurality of customer households, the method comprising the steps of:
- (a) blanket transmitting a plurality of music selections to the plurality of customer households in digital format;
- (b) [providing each of the plurality of] <u>transmitting to the</u> customer households [with] information identifying available music selections that will be transmitted;
- (c) <u>preselecting and recording [permitting each of the plurality of] at the</u> customer <u>household</u> [households to preselect and record desired] <u>a transmitted music selection[s on a high capacity storage medium], the recording comprising writing the received music selection in encrypted form to a removable storage medium, such that the music selection cannot be decrypted without at least one key;</u>

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- (d) <u>transmitting, subsequent to the recording, the at least one key to the user</u>
  <u>customer household [enabling each customer household to playback the recorded</u>
  music selections]; <u>and</u>
- (e) [communicating music playback information from each of the plurality of customer households to a central controller system; and
- (f)] billing [each of the plurality of] the customer household[s] for the at least one transmitted key [recorded music selections that are made available for playback].
- 11. (Amended) The system according to Claim 1, wherein the user station transmits an indication of the music selections preselected by each customer household to the central controller system.
- 17. (Amended) The system according to Claim [14] <u>90</u>, wherein <u>the user</u> station comprises a circuit for degrading a quality of the <u>previewed</u> preselected music selections [previewed is degraded/abbreviated in format] by [one] <u>a process</u> selected from the group consisting of:

[highly] compressing the preselected music selections; adding distortion[s] to the preselected music selections, overlaying voice over the preselected music selections; and [missing] deleting sections from the preselected music selections.

37. (Amended) The system according to Claim [36] 1, wherein the [external memory] storage device [is one selected from the group consisting of:] comprises one of

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a <u>removable read and write optical disk</u>, [Dataplay device;] a hard disk drive[;], and flash memory.

- 55. (Amended) The method according to Claim 2, the method further comprising the step of transmitting <u>an indication of</u> the music selections preselected by [each of] the [plurality of] customer household[s] to the central controller system.
- 60. (Amended) The method according to Claim [58] <u>92</u>, wherein <u>the user station comprises a circuit for degrading</u> quality of the <u>previewed</u> preselected music selections previewed [is degraded/abbreviated in format] by [one] <u>a process</u> selected from the group consisting of:

[highly] compressing the preselected music selections; adding distortion[s] to the preselected music selections; overlaying voice over the preselected music selections; and [missing] deleting sections from the preselected music selections.

78. (Amended) The method according to Claim [33] <u>76</u>, further comprising the steps of:

providing the media player that is enabled to play the compressed, encrypted and watermarked format, and

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tracking[/limiting] a number of times that the each of the plurality of music selections written on the writable recording media is played by the media player; and limiting the number of times that one of the music selections can be played.

- 80. (Amended) The method according to Claim [78] 2, wherein the [external memory device is one selected from the group consisting] recording is performed by a storage device comprising at least one of[: a Dataplay device;], a removable read and write optical disk, a hard disk drive[;], and flash memory.
- 84. (Amended) The method according to Claim [40] <u>83</u>, the method further comprising the steps of:

providing music preference information regarding each of the plurality of households to the central controller from the peer-to-peer music sharing system; and generating a customer profile at the central controller system for each of the plurality of households based on the provided music preference.

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